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C O N F I D E N T I A L SECTION 01 OF 05 MEXICO 000719

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SUBJECT: OAXACA CRISIS FADES THOUGH TENSIONS REMAIN

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[1](#)B. 2006 MEXICO 6652

Classified By: POLITICAL COUNSELOR CHARLES BARCLAY, REASON S:1.4(B/D)

[1](#)1. (C) Begin Summary: Oaxaca is slowly returning to normal after more than eight months of political, social, and economic crisis, although underlying tensions--particularly in Oaxaca City--remain significant and could reignite conflict if one of the sides makes a serious miscalculation. Visible signs of the conflict are over. There are no more blockades or standing protests, the Zocalo has been cleared, people can now move freely through streets and public spaces, and government institutions are functioning. Most businesses have re-opened, tourists are slowly beginning to come back, and economic activity is picking up. In addition, most teachers have returned to classes, the Popular Assembly for the People of Oaxaca (APPO) has been subdued, and the vast majority of citizens long for peace and stability. The political situation is more complicated, with continued tensions surrounding the governor and a widespread belief that a permanent end to the conflict requires his removal. There are no signs, however, that Ulises Ruiz is considering stepping down. End summary.

[1](#)2. (C) Poloff visited Oaxaca from February 7-9 in an effort to better understand the state's political, economic, and social dynamics two months after President Calderon took office. Poloff met discretely with state government officials including the governor and members of his cabinet, business leaders, academics, local journalists, teachers, and members of indigenous communities near Oaxaca City. Poloff did not meet directly with members of the APPO out of concern for how such a meeting might be construed. Several of poloff's meetings were conducted with other emboffs, who were principally visiting Oaxaca to follow up on the investigation of the murder of Amcit journalist Brad Will.

GOVERNMENT ACTS RESPONSIVE

[1](#)3. (C) During a day-long series of meetings with members of Governor Ruiz's cabinet on February 8, officials responded to Emboff questions regarding the case of Bradley Will (septel). During these meetings, Poloff inquired about the government's perception of the protest movement and prospects for further violence and instability in the state. These officials underscored their perception that most teachers' demands have been met and that the APPO is a largely demoralized organization following its confrontation with

Federal Preventive Police (PFP) on November 25, 2006 and the subsequent arrest of many of its members.

14. (C) State government leaders, including the Governor, Attorney General, Secretary of Government, Director of State Police, and President of the State Supreme Court, were eager to demonstrate they now have political control and a strategy for addressing citizen concerns. During a meeting with Emboffs, Governor Ruiz offered a laundry list of projects and proposals to address citizen concerns--in essence, of projects that show he is now prepared to govern responsibly. Ruiz said his government hopes to create a new relationship with Oaxacan society via social and economic programs designed to attack poverty and inequality. His Secretary of Government added, "we want to address the needs of the people so we don't have any more violent demonstrations."

15. (C) Ruiz discussed the advances that his state has made relative to passing key legislation--juvenile justice and, more importantly, an oral adversarial Code of Criminal Procedure. He explained that reforms currently being considered by Congress include a new state constitution, revisions to make the Human Rights Commission, Attorney General's Office, and State Police more autonomous from the Executive, real application of the Transparency Law, and additional citizen forums to identify needs of the population. Ruiz added that the state government is working with the GOM to re-energize Oaxaca's tourism industry, on which state revenues depend. He also said his government has a better relationship with new federal Secretary of Government Francisco Ramirez Acuna than it did with his predecessor. Ruiz hoped that President Calderon would visit Oaxaca within a month's time.

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16. (C) The governor asserted that state teacher demands have largely been met, and he downplayed the significance of tensions between Oaxaca's Section 22 and newly-created Section 59. (Note: Tensions have erupted in 245 of Oaxaca's 10,000 or so schools since the national teachers union's creation of a breakaway section--section 59--in opposition to the strikers. End note.) He said that his government has established indirect communication links with APPO leaders, and dismissed concerns that the APPO could once again become a destabilizing force, suggesting the Assembly would now concentrate on the state congressional elections in August. He did not believe the conflict would resume, and thought the annual state teachers' protest in May would not generate new tensions.

17. (C) Notwithstanding the governor's comments, Director of State Police Manuel Moreno Rivas told Poloff that the government is concerned that released APPO leaders might try to regroup and stage aggressive protests, perhaps acting clandestinely. He suggested that the release of the remaining 28 detainees would be the result of political negotiations, not a legal process. Moreno characterized the APPO as a well-funded and organized group, receiving support from Atenco and other groups from the State of Mexico and Chiapas, as well as from some radical elements from Bolivia and Spain.

STATE POLICE MINISTER ACKNOWLEDGES LOCAL POLICE ABUSES

18. (C) Moreno told Poloff that state police are investigating what he agreed were human rights abuses committed by some municipal police officers, although no one has yet been held accountable. (Note: Contradicting what Moreno said in private, Governor Ruiz implausibly told Emboffs there is no evidence that state or municipal troops committed human rights abuses. End note.) Moreno added that the abuses included arbitrary detentions and the mishandling of arrests, but said that he did not believe that human rights abuses had

occurred within any federal or state prisons. He also said that all those arrested had been charged and those released were on bail. Moreno noted that the federal government has responsibility for investigating any human rights abuses that may have occurred while the Federal Preventive Police (PFP) was stationed in Oaxaca. He also commented that the PFP had been given information regarding alleged human rights abuses committed by municipal police officers but had not taken action.

¶9. (C) Moreno characterized the December 7 PFP raid of ministerial police headquarters as "purely symbolic" and said police weapons had already been confiscated before that date.

He did not know the status of the GOM investigation to examine whether any of the weapons had been used against protesters, and said state police have been operating without arms since their confiscation. During a private dinner, Poloff asked Moreno if he thought state police forces should have handled any aspects of the conflict differently. Moreno responded that he believed the June 14 police raid on protesters had been a mistake because the police were so outnumbered, and he had recommended to the governor against police action. Moreno also told Poloff that he believed PFP forces had been sent in partially to pressure Ruiz to leave office, but added he saw no signs that the governor ever seriously considered doing so.

WHITHER RUIZ?

¶10. (C) There are no indications that the PRI-dominated state congress has any interest in pushing Ruiz out of power, and he and his inner circle appear determined to do whatever it takes so that he remain in office. Ruiz and his political allies have a lot to lose if they fall from power, and could even possibly be jailed for crimes committed while in office. (Note: So long as he holds the position, the governor enjoys immunity from prosecution. End note.) Ruiz probably enjoys no more than a quarter of the population's support, but the PRI's long-established patronage system in the state lends him what would otherwise be surprising staying power.

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¶11. (C) State congressional elections are scheduled for August, and for the first time in the state's history there is a reasonable chance that an opposition party could win. In the aftermath of the 2006 national elections, 9 out of 11 Oaxaca federal representatives hail from the PRD. There are convincing signs that the APPO, many teachers, and their supporters, will align with PRD candidates for the state elections, who if they win could pose a serious challenge to Ruiz's political survival. However, to be successful the APPO will need to pursue a coherent political strategy. A state congress would not be able to oust Ruiz until he has been in office for three years (December 1, 2007), but it could name an interim governor if Ruiz were to request a leave of absence before then.

APPO STRUGGLES TO SURVIVE

¶12. (C) The APPO is struggling to remain a force following the teachers' withdrawal from the movement, the arrest of many of its leaders and members, and the waning of popular support for the organization following the events of November 25 (ref B). There was a sense that the conflict spiraled out of control that day, even if the reality was that an extremely small number of people were involved in violently challenging the government. The APPO leadership was unable to contain its most aggressive elements, who probably numbered 100 or so would-be revolutionaries and street thugs.

Although the governor enjoyed little support for his handling of the crisis, the APPO tactics--particularly the

burning of public buildings and other property that day--redirected some of the public's anger away from the governor and towards the APPO.

¶13. (C) The APPO hopes to remain relevant and continue its struggle, but appears not to have an effective strategy for going forward. The organization's political logic has never been well-defined, beyond the demand for Ruiz's ouster. Academic Secretary of Oaxaca's Benito Juarez University Dr. Fausto Diaz Montes told Poloff he believed the conflicting parties had arrived at a political impasse and that the APPO had pulled back temporarily while determining next steps. He thought the APPO would reorganize and seek to show its relevance by planning additional demonstrations and trying to block some highways and buildings in coming weeks. (Note: A local journalist with contacts within the APPO agreed that the Assembly is planning additional marches and the blocking of some state buildings and highways, but said it would not try to erect barricades again in the city center. End note.) Fausto told Poloff that few students are involved in the protest movement, and said APPO had been manipulated by people with political objectives, including ex-governors opposed to Ruiz and operators from the PRD, CT, and PT political parties.

ACADEMICS AND JOURNALISTS DENOUNCE REPRESSION

¶14. (C) Academics and journalists believe the federal and state governments violated citizen rights in their handling of the conflict and told Poloff that no one--especially youth--felt safe in the streets in the weeks immediately after November 25. The government encouraged people to turn on each other, using manipulative tools such as the now defunct Radio Ciudadana. Although Oaxacan citizens believe that human rights violations were committed by perpetrators on both sides of the conflict, interlocutors told Poloff that arbitrary detentions and public incitement of violence appears to have ceased. The state police continue to occasionally barricade the city center; this happened on February 3 when a group of 10,000-20,000 teachers and APPO supporters tried to march on the Zocalo.

¶15. (C) The university's academic dean characterized the governor's latest actions as too little too late. He said Ruiz is doing the bare minimum needed to hang on to office. He believed there has been no action on the Brad Will case, allegations of human rights abuses committed by the state, or requests for transparency in the budget. He called Oaxaca's transparency law "a joke," and said there has been little change in the governor's attitude to demonstrate he is genuinely prepared to govern responsibly. He and others

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thought the governor's proposed reforms were rhetorically on target but failed to include input from the opposition. It is too early to tell whether the governor will make good on his proposed reforms and social programs.

ECONOMY BADLY HURT; BUSINESSES LONG FOR NORMALCY

¶16. (C) The state economy--already one of Mexico's poorest--is badly bruised and will take at least a couple years to fully recover. Poloff was told by business leaders that roughly a third of all businesses may have closed as a result of the conflict. During the last half of 2006, when tourism all but ceased, workforces were cut, salaries were not paid, and debts soared. The head of the hotel industry told Poloff that hotel occupancy rates, which before the conflict averaged 48 percent per year, fell to 5 percent during the conflict and are now less than 20 percent. The director of Oaxaca's restaurant association offered a similarly gloomy picture, explaining that restaurants are

operating at about 20 percent of their pre-conflict workloads. The federal government has begun to channel more money to Oaxaca, especially for publicity and programs designed to recapture tourism. However, many people characterized the GOM's response to the state's economic crisis as "low level" and said the Calderon administration has focused on other areas in Mexico, not Oaxaca.

¶17. (C) Interlocutors told Poloff that the conflict demonstrated the poor relationship between the state government and society, signaling that democracy has not been effective in Oaxaca. People who work within the formal economy, which represents less than half of the working-age population, support the institutions of government and reject the extra-legal acts taken by the APPO, although most remain cool toward the governor. Many Oaxacans who lost their jobs blame the APPO. But those outside the formal economy largely feel disenfranchised and marginalized by state institutions. In indigenous communities Poloff visited near the state capital, artisans whose livelihoods depend on tourism criticized both the governor's and the APPO's handling of the conflict and longed for stability so that tourists would return.

COMMENT

¶18. (C) Since the beginning of the year, the state government has removed most public signs of the conflict. The ebbing Oaxaca crisis seems to have been one in which real social problems were politicized and then mishandled by the governor. That the protest movement was mostly about state teacher salaries and the governor's removal helps explain why the conflict did not spread to other regions. That said, successive Oaxacan governments have failed to design public policies that would effectively address the socio-economic needs of this heterogeneous society. Poloff was left with an impression of bad governance on the part of the state, inaction on the part of the federal government, over-reaching on the part of teachers and the APPO, and wariness on the part of the public. Although Oaxaca does little to maintain statistics, Poloff estimates that the great majority of the state's 3.5 million people long for peace and stability, with a very small percentage of the population having been radicalized by the conflict. Support for the governor and for the APPO is probably less than 25 percent on each side.

¶19. (C) Under the Calderon administration, which has signaled its intolerance for lawlessness, both the state government and the APPO have strong reasons to act with restraint. The resistance to Ruiz is likely to continue until he is out of power, but with much less intensity. The exception would be if one of the sides miscalculates and violence erupts, as could happen if the state were to use demonstrable force against peaceful demonstrators, or if intimidation accompanies the upcoming election campaign. The state elections give the opposition a means to channel its grievances through democratic institutions, draining the appeal of radical tactics. But the teachers, APPO, and their sympathizers will need to respect institutions, select smart candidates, and avoid internal infighting if they are going to capitalize on the public's disillusionment with the

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governor. The people of Oaxaca are begging for a new kind of political leadership, and there is at least a hope they might yet get it peacefully and democratically.

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